



FILED

12/02/19
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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking
Concerning Energy Efficiency Rolling
Portfolios, Policies, Programs,
Evaluation, and Related Issues.

Rulemaking 13-11-005

**ASSIGNED COMMISSIONER'S AMENDED SCOPING MEMO AND RULING
FOR ORDER TO SHOW CAUSE AGAINST SOUTHERN CALIFORNIA GAS
COMPANY**

This scoping memo and ruling sets forth the category, issues to be addressed, and schedule of the order to show cause portion of this proceeding, pursuant to Public Utilities (Pub. Util.) Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure.

1. Procedural Background

On October 3, 2019, the assigned Administrative Law Judge (ALJ) issued a ruling granting a motion by the Public Advocate's Office of the Public Utilities Commission (Cal Advocates) for an order to show cause (OSC) why Southern California Gas Company (SoCalGas or Respondent) should not be sanctioned for violating a Commission order and Rule 1.1 of the Commission's Rules of Practice and Procedure (Cal Advocates' motion).

A prehearing conference (PHC) was held on October 22, 2019 to discuss the issues of law and fact and determine the need for hearing and schedule for resolving the matter. After considering the motion, response, and discussion at the PHC, I have determined the issues and schedule of the proceeding to be as set forth in this scoping memo.

2. Factual Allegations and Issues to be Determined

Cal Advocates' motion makes two allegations to support its request for an order to show cause:

1. Respondent continued to charge ratepayers for energy efficiency codes and standards advocacy for nearly a month after the Commission ordered Respondent to cease such advocacy; and
2. Respondent submitted misleading and inaccurate information that minimized the full extent of its codes and standards advocacy after the Commission ordered Respondent to cease its ratepayer-funded advocacy.

If Cal Advocates' allegations are true, the issues to be determined are:

1. If Respondent failed to comply with Decision (D.) 18-05-041, should Respondent be fined, penalized, or have other sanctions imposed for such failure; and
2. Whether Respondent failed to comply with Rule 1.1 of the Commission's Rules of Practice and Procedure, and if so, whether Respondent should be fined, penalized or have other sanctions imposed for such failure.

The scope of this order to show cause shall include consideration of applying Pub. Util. Code Sections 2107 and 2108 to Respondent's conduct.

The scope of this order shall include any allocated overhead costs, defined by Respondent as "general administrative overhead activities such as general administration, accounting support, IT services and support, and regulatory support."

The scope of this order to show cause shall not include any costs other than those referenced in Cal Advocates' motion (namely, the alleged codes and standards advocacy costs and associated allocated overhead costs).

3. Need for Evidentiary Hearing

The factual allegations and issues for determination set forth in Section 2 are contested material issues of fact. Accordingly, evidentiary hearing is needed.

4. Schedule

The following schedule is adopted here and may be modified by the ALJ as required to promote the efficient and fair resolution of this order to show cause:

EVENT	DATE(S)
SoCalGas serves testimony related to its codes and standards advocacy that is verified by an officer as accurate and complete	January 10, 2020
Parties file a joint stipulation of facts or serve a status update if unable to reach a joint stipulation of facts	February 10, 2020
Settlement discussions, including development of a joint stipulation of facts if previously unable to reach a joint stipulation of facts	February 11, 2020
Parties file a settlement if reached, or a joint stipulation of facts if no settlement reached	March 13, 2020
SoCalGas serves testimony regarding its adherence to D.18-05-041 and Commission Rules	March 27, 2020
Cal Advocates' and other intervenors' prepared direct testimony	April 24, 2020
Concurrent rebuttal testimony	May 15, 2020
Potential second stipulation of facts	May 29, 2020
Cross-examination estimates	June 5, 2020
Evidentiary hearing	June 10-12, 2020
Concurrent opening briefs	July 10, 2020
Concurrent reply briefs	August 10, 2020

EVENT	DATE(S)
[matter submitted]	
Presiding Officer's proposed decision	Within 60 days of submission

SoCalGas's testimony, due January 10, 2020, shall address the following specific items:

- Explain how SoCalGas accounts for codes and standards advocacy (C&S) activities including but not limited to all the items Cal Advocates asked about in its data requests;
- Provide account entries for all C&S work charged to the Demand Side Management Balancing Account since June 1, 2018, including a description of its search to find any additional entries not previously identified;
- Explain why the C&S activities cited in Cal Advocates' motion as in SoCalGas's Operation and Maintenance (O&M) and the General Rate Case (GRC) accounts were charged to those accounts, and provides all relevant account entries for those items; and
- Provide any additional C&S-related charges in the O&M and GRC accounts and explain how SoCalGas found them (as well as any accounting adjustments that may have been made at any point to those charges).

The proceeding will stand submitted upon the filing of reply briefs, unless the ALJ requires further evidence or argument. Based on this schedule and pursuant to Pub. Util. Code Section 1701.5(b), this amended scoping memo revises the statutory deadline of this proceeding to January 1, 2021 to allow time for a possible appeal of the Presiding Officer's Decision (POD) within the 30-day period provided for such appeals in Rule 14.4(a) of the Commission's Rules of Practice and Procedure, or a request for review of the POD within the 30-day period provided for such requests in Rule 14.4(b).

5. Alternative Dispute Program

The Commission's Alternative Dispute Resolution (ADR) program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.¹

Any settlements between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

6. Category of Proceeding/*Ex Parte* Restrictions

As provided in Rule 1.3(a) and 8.2(b) of the Commission's Rules of Practice and Procedure, the OSC portion of this proceeding is categorized as adjudicatory. Accordingly, *ex parte* communications are prohibited pursuant to Article 8 of the Commission's Rules of Practice and Procedure. The determination as to category is appealable pursuant to Rule 7.6 of the Commission's Rules of Practice and procedure.

¹ See D.07-05-062, Appendix A, Section IV.O.

7. Service of Documents on Commissioners and Their Personal Advisors

Rule 1.10 requires only electronic service on any person on the official service list, other than the ALJ(s). Parties are reminded that the assigned ALJs and commissioner require ONLY electronic service of documents tendered for filing in this proceeding.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must NOT send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

8. Assignment of Proceeding

Liane M. Randolph is the assigned Commissioner and Julie A. Fitch and Valerie U. Kao are the assigned ALJs for the proceeding. For the order to show cause portion of the proceeding, ALJ Valerie U. Kao is designated as the presiding officer.

IT IS RULED that:

1. The scope of this proceeding is described above.
 2. The schedule of this proceeding is as set forth above.
 3. Evidentiary hearings are needed.
 4. The presiding officer for the order to show cause portion of this proceeding is Administrative Law Judge Valerie U. Kao.
 5. The category of the order to show cause portion of this proceeding is adjudicatory.
 6. This ruling shall be served on the mailing list for this proceeding.
- Additionally, the Executive Director will send a copy of this ruling by certified mail return receipt requested to the Respondent at the following addresses:

Bret Lane
Chairman and Chief Executive Officer
Southern California Gas Company
555 West 5th Street
Los Angeles, CA 90013

Holly A. Jones
Attorney for Southern California Gas Company
555 West 5th Street, Suite 1400
Los Angeles, CA 90013

Dated December 2, 2019, at San Francisco, California.

/s/ LIANE M. RANDOLPH

Liane M. Randolph
Assigned Commissioner